

OFFICE OF
INSURANCE COMMISSIONERPhone: (360) 725-7000
7753 03/31/06 \$8,000.00 ✓

In the Matter of:

No. D06-137

AMERICAN RELIABLE
INSURANCE COMPANY,CONSENT ORDER
IMPOSING A FINE

An Authorized Insurer.

Findings of Fact:

1. American Reliable Insurance Company ("American Reliable") is authorized to conduct insurance business in Washington State. It issues disability, property, marine transportation, vehicle, casualty and surety insurance.
2. On April 14, 2005, the Office of the Insurance Commissioner ("OIC") sent a letter to American Reliable advising the company that the OIC had not yet accepted the company's 2004 annual statement. On April 22, 2005, American Reliable electronically filed the annual statement and other required documents with the OIC. The exhibit to the April 14 letter also showed that the OIC had not accepted American Reliable's 2004 April supplemental filing. American Reliable made that filing on April 28, 2005.
3. RCW 48.05.250 requires that insurers submit an annual statement of the preceding year to the OIC before the first day of March of the following year. April supplemental filings are due by the first day of April of the following year. The statute permits the Commissioner to revoke or suspend the insurer's certificate of authority for failure to so submit.
4. Washington Administrative Code § 284-07-050(2) requires an insurer's annual statement and supplemental filings to be executed and submitted in accordance with the appropriate *Annual Statement Instructions* and *Accounting Practices and Procedures Manuals* promulgated by the National Association of Insurance Commissioners.
5. RCW 48.05.185 permits the Commissioner to levy a fine in addition to or in lieu of revocation or suspension of an insurer's certificate of authority.
6. American Reliable failed to timely file its 2004 annual statement and its 2004 April supplemental filing with the OIC.

Conclusions of Law:

1. American Reliable's failure to timely file its 2004 annual statement and 2004 April supplemental filing with the OIC constitutes two violations of RCW 48.05.250.

Consent to Order:

American Reliable consents to the following, in order to resolve this matter without further administrative or judicial proceedings, and the Insurance Commissioner consents to resolve this matter in consideration of the insurer's payment of a fine as set forth below.

1. American Reliable consents to entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply fully with the applicable laws of the State of Washington, and waive further administrative or legal challenge to the actions taken, or to be taken, by the Insurance Commissioner related to the subject matter of this order.
2. Within thirty days of entry of this Order, American Reliable will pay to the OIC a fine in the amount of \$8,000 (eight thousand dollars).
3. If the fine is not timely paid in full, this will constitute grounds for the suspension or revocation of the certificate of authority held by American Reliable in the State of Washington. It will also result in a civil action being filed by the Attorney General on behalf of the Insurance Commissioner, to recover the amount of the fine.

Executed this 29 day of March, 2006.

AMERICAN RELIABLE INSURANCE COMPANY

By: Ronald Hall

Printed Name: Ronald Hall

Printed Corporate Title: Vice President/Treasurer

Order:

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:


1. American Reliable Insurance Company is ordered to pay, within thirty days of the entry of this Order, a fine in the amount of \$8,000 (eight thousand dollars).
2. Failure to timely pay the fine shall constitute grounds for suspension or revocation of the certificate of authority held by American Reliable Insurance Company in Washington State. It

will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to collect the fine.

Executed this 13th day of April, 2006

MIKE KREIDLER
Insurance Commissioner

By:


Marcia G. Stickler
Legal Affairs Division